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THE TTAB

Mailed: Sept. 21, 2004

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

M.C.I Foods, Inc.

v.

Los Cabos Food Corporation
and Richard Staunton,
joined as party defendant

Cancellation No. 92024998

Brian J. Hundertmark of Roberts & Hundertmark, LLP for
M.C.I. Foods, Inc.

Whitney Wilson of Bryan Cave LLP for Los Cabos Food
Corporation and Richard Staunton, joined as party defendant.

Before Seeherman, Hohein and Rogers, Administrative
Trademark Judges.

Opinion by Seeherman, Administrative Trademark Judge:

On March 21, 1996, M.C.I. Foods, Inc. filed a petition
to cancel the registration of Los Cabos Food Corporation for
the mark LOS CABOS and design, as shown below, for
"restaurant services."¹

¹ Registration No. 1774757, issued June 1, 1993, based on an
intent-to-use application filed August 1, 1991; Section 8



As grounds for cancellation, petitioner has alleged that it has filed an application, Serial No. 74551603, to register LOS CABOS and design for burritos, enchiladas, tacos, taquitos, and soft tacos; that the Examining Attorney has refused registration of petitioner's mark because "the mark for which registration is sought so resembles the mark shown in U.S. Registration No. 1774757 [the subject registration] as to be likely, when used on the identified goods, to cause confusion, or to cause mistake, or to deceive"; that the refusal to register petitioner's trademark constitutes the damage required for petitioner's standing to bring this proceeding; and that petitioner's

affidavit accepted. The registration issued in the name of Los Cabos Food Corporation, and this is the party which filed all subsequent papers. However, in its brief, filed October 8, 2003, respondent stated that on May 27, 1999 an assignment was recorded with the USPTO assigning the registration to Richard Staunton, and that Mr. Staunton is the current owner of the registration. Office records confirm that an assignment was recorded on that date. Accordingly, we have joined Richard Staunton as a party defendant. However, because all papers filed by respondent identify respondent only as Los Cabos Food Corporation, we will do the same in our opinion.

application for registration lists a first-use date of April 6, 1992, but that "subsequent review has determined" that petitioner has used its mark for its goods prior to the respondent's August 1, 1991 filing date and July 30, 1992 first use date. Although not specifically pleaded, it appears that petitioner seeks to cancel respondent's registration pursuant to Section 2(d) of the Trademark Act, 15 U.S.C. §1052(d), on the ground of priority of use and likelihood of confusion.

In its answer, respondent has admitted that petitioner is the applicant of Application Serial No. 74551603, and has denied the remaining salient allegations of the petition for cancellation.

There are a number of procedural and evidentiary matters that we must now discuss. First, with its second notice of reliance petitioner has submitted the answers and objections of respondent to petitioner's first and second requests for the production of documents. Documents produced in response to such requests may not be made of record by notice of reliance. See Trademark Rule 2.120(j)(3)(ii). However, such documents, if treated as if they are of record, may effectively be stipulated into the record by the parties. See *JSB International, Inc. v. Auto Sound North, Inc.*, 215 USPQ 60, n.3 (TTAB 1982). In this case, although respondent has not supplied a description of

the record in its brief, respondent has discussed the documents, and we therefore deem respondent to have stipulated them into the record.²

Respondent raised a number of hearsay objections to documents which were introduced during the testimony deposition of Daniel J. Southard, petitioner's president. Respondent did not explain the reason for its claim of hearsay during the deposition. In its brief respondent states: "This objection was preserved at the deposition of Mr. Southard and should bar consideration of the documents." Brief, p. 7. Respondent further states in its brief that: "In fact, the originals of the documents were not available for inspection by [respondent] because the [sic] allegedly had been destroyed pursuant to a document retention policy." We assume therefrom that respondent's hearsay objection is based on the fact that the exhibits were photocopies rather than original documents.

The exhibits are photocopies made by Mr. Southard of business records which he had given to petitioner's attorney in 1992 at the attorney's request. The originals were subsequently destroyed as part of petitioner's policy of purging its records after five years.³ Mr. Southard

² We would point out that, even if we did not consider them, it would not change our decision herein.

³ The "originals" of two of the documents, a log created by the USDA, and a copy of a check made out to petitioner which petitioner had cashed, were always kept by petitioner as

testified that he did not realize it would be necessary to keep the originals in connection with this proceeding, and they were therefore purged along with other older records. We find Mr. Southard's testimony to be credible, and an acceptable explanation as to why the original documents are no longer available. We are further satisfied that the photocopies are true copies of the originals. Respondent's objections to the documents are overruled.

In its brief petitioner has made reference, as support for some of its statements of fact, to the affidavit of Daniel Southard which was submitted with its motion for summary judgment. That motion was denied by the Board on November 1, 1999 as untimely. Materials submitted in connection with a motion for summary judgment do not form part of the record at trial unless they are specifically made of record during the testimony period, and in accordance with the Trademark Rules. See TBMP §528.05(a) (2d ed. rev. 2004), and cases cited therein at note 403, particularly *American Meat Institute v. Horace W. Longacre, Inc.*, 211 USPQ 712, 716, n. 2 (TTAB 1981) (material in support of untimely summary judgment motion not trial evidence absent agreement of parties). Because petitioner did not make Mr. Southard's affidavit of record during

photocopies, since in the first case the original was the property of the USDA, and in the second the cashed check would have been returned to the company which issued it.

trial, we have not considered either the affidavit or the factual statements in petitioner's brief for which the affidavit is relied on as support. Petitioner has also cited, in support of some of its recitation of facts, the "application file of petitioner's mark." The application file of a plaintiff does not automatically form part of the record, and petitioner has not otherwise made the entire file of record. However, the initial application papers and the first Office action of the Examining Attorney were introduced as exhibits with the testimony of Daniel Southard, and they have been considered.

In its brief, petitioner has stated that the issue before the Board is whether respondent is entitled to retain its registration in light of the facts that 1) petitioner made significant use of its trademark prior to respondent's first use; 2) respondent was aware of prior conflicting uses of the mark by others when it filed its application, but did not admit to such knowledge in its application; and 3) respondent has failed to enforce its registrations against infringing uses (and thus has presumably abandoned its mark). Respondent has argued that the latter two grounds--essentially fraud and abandonment, were neither pleaded nor tried. We agree. Certainly there is nothing in the petition for cancellation that could be construed even as an allegation that respondent knew of conflicting or

infringing uses by others, let alone a pleading of fraud with the particularity that is required of such a pleading; and even petitioner does not seem to be clear as to what it might have wanted to plead with respect to conflicting uses. In its brief petitioner states that respondent's failure to enforce its registration against infringing uses "may be cause for abandonment of the registration or, at the very least, diminution of Registrant's ability to contest any other party's proceeding against the registration." p. 10.

We must also consider whether the grounds of fraud or abandonment, even though not properly pleaded, were tried. Petitioner has not provided any basis in its brief for us to make such a finding. Petitioner's evidence in support of the grounds of fraud and abandonment for failure to enforce rights is respondent's response to petitioner's document production request discussed above and respondent's answers to certain of petitioner's interrogatories. In the notice of reliance under which petitioner submitted those documents, it stated that the interrogatory responses were being submitted to show, inter alia, "the Registrant's enforcement of its mark, and the Registrant's awareness of other parties using the registered mark" and, in connection with the responses to its document production requests, that they were "being relied upon by Petitioner to show the Registrant's enforcement of its mark and the Registrant's

awareness of other parties using the registered mark." These statements by petitioner are not sufficient to put petitioner on notice that petitioner was asserting or attempting to try the additional grounds of fraud and abandonment. Thus, we do not deem the pleadings to have been amended pursuant to Fed. R. Civ. P. 15(b). The grounds of fraud and abandonment raised in petitioner's brief therefore have not been considered.⁴

⁴ We note that even if we had found these issues to be tried, the evidence submitted by petitioner falls far short of establishing its right to judgment on such grounds. The document production is a search for "Los Cabos" conducted by a private search service, and lists third-party registrations, state registrations, and information taken from reference works, on-line data bases, and the like. Third-party registrations are not evidence of use of the marks shown therein. In re Albert Trostel & Sons Co., 29 USPQ2d 1783 (TTAB 1993). Neither is a mere listing of a business taken from either a search company's database or its search of another private database (it is not clear from the report which is the case). Such information is clearly hearsay, and in the absence of any testimony as to the efforts of the search company's and/or the company maintaining the database to insure that the information is current and accurate, it is of no probative value. Compare Tiffany & Co. v. Classic Motor Carriages Inc., 10 USPQ2d 1835, n. 5 (TTAB 1989). The interrogatory responses state that, as of the filing of its application, respondent knew of a search report listing one registration for LOS CABOS for wines, and a listing for Los Cabos Restaurant in Colorado and Los Cabos Corporation in California. There is no evidence that respondent knew that any of the businesses listed were actually in existence, or had rights superior to respondent's in marks for goods or services with which respondent's mark was likely to cause confusion. Moreover, we note that one of petitioner's requests for admission which, in the absence of a response by respondent is deemed to be admitted, is that "Registrant is not, and has not been, aware of any other party's use of a LOS CABOS mark, other than that used by Petitioner." Request No. 6. Thus, the evidence submitted by petitioner itself belies any claim that respondent committed fraud in the filing of its application, or that respondent has abandoned its rights in its mark.

The record, thus, includes, the pleadings; the file of the registration sought to be cancelled; and the testimony, with exhibits, of Daniel E. Southard. Petitioner has also submitted, under notice of reliance, respondent's responses to certain of petitioner's interrogatories and its responses to petitioner's document production requests; a definition of "cabo" taken from a Spanish and English dictionary; and petitioner's requests for admission, which, because of respondent's failure to respond to them, must be deemed to have been admitted. Respondent did not submit any evidence.

This proceeding has been fully briefed, but neither party requested an oral hearing. It is noted that respondent cited, and attached to its brief, an unpublished decision by the Board. The Board has explicitly stated that it disregards citation of any unpublished decision of the Board, even if a complete copy of the unpublished decision is submitted. *General Mills, Inc. v. Health Valley Foods*, 24 USPQ2d 1270 (TTAB 1992). Accordingly, such decision has not been considered.

The focus of the parties' briefs has been on the issue of priority. Petitioner, in its application for the mark LOS CABOS and design, asserted that it first used the mark and first used it in commerce on April 6, 1992. This date is subsequent to the August 1, 1991 filing date, and hence constructive use date, of the application which issued into

respondent's registration. Thus, in order to prevail on the issue of priority, petitioner must show, by clear and convincing evidence, that it made use of its mark prior to August 1, 1991. See *Martahus v. Video Duplication Services Inc.*, 3 F.3d 417, 27 USPQ2d 1846, n. 7 (Fed. Cir. 1993); *Hydro-Dynamics, Inc. v. George Putnam & Co., Inc.*, 811 F.2d 1470, 1473, 1 USPQ2d 1772 (Fed. Cir. 1987).

We find that petitioner has made such a showing. The evidence demonstrates that on May 8, 1991 petitioner ordered a "Los Cabos Die" from Huntington Park Rubber Stamp, that this company billed petitioner for an "18 line 7 inch die" on May 14, 1991, and that on June 7, 1991 petitioner wrote a check to the order of "Huntington Pk Rubber Stamp Co." for the amount shown on the invoice. The log kept by the USDA shows that approval was given for a "shredded beef & cheese & green chili burrito" on June 26, 1991; the log shows an asterisk next to this item in the log, which petitioner's witness states was placed there at the time the log was photocopied by the witness in 1992 to give to petitioner's attorney. We think this testimony is credible to show that this is the LOS CABOS label for which Huntington Park prepared the die. The record also shows that petitioner (using its dba Delseys Foods) took an order from "Michael Levin" on July 1, 1991, shipped the order on July 8, 1991, and prepared an invoice dated July 12, 1991 to Michael Levin

Ent. which lists, inter alia, 20 cases of "Los Cabos Bulk Pack SHD BEEF/CHZ/GRN CHILI 48/5.0 oz." at a unit price of 23.85 per case, for a cost of \$477.00. The invoice indicates, under terms, "2% 10 NET 30," which Mr. Southard explained means that if payment were received in 10 days, the customer would receive a 2% discount. The invoice also bears a stamped "Paid July 18, 1991," with a notation that a discount was applied. There is also a check from Michael Levin Enterprises, Inc. (again, all the documents are photocopies) dated July 18, 1991 for the price listed on the invoice.

The various documents, including those which were prepared by third parties, and Mr. Southard's testimony, establish that petitioner created a label bearing the mark LOS CABOS and design in May 1991, obtained label approval from the USDA at the end of June 1991, took an order for goods bearing the mark LOS CABOS and design at the beginning of July 1991, and shipped the product to a third party on July 8, 1991, which was prior to the filing of respondent's application on August 1, 1991.

Respondent has asserted that, even if we find that petitioner made a shipment in July 1991, that shipment was only token use of the mark, and that petitioner could not obtain any rights from it. Respondent claims that petitioner has not presented any evidence of additional

sales prior to the filing of petitioner's application in 1994, and that the sale it did make in July 1991 was de minimis because it was for less than \$500.

We regard respondent's arguments regarding lack of evidence of continuous use to relate to its claim that the July 1991 sale was token use. However, to the extent that respondent might be arguing that petitioner was required to prove not only prior but continuous use of its mark, we reject such an argument. Our primary reviewing court, the Court of Appeals for the Federal Circuit, has made clear that "the governing statute does not speak of 'continuous use,' but rather of whether the mark or trade name has been '*previously used* in the United States by another *and not abandoned.*' 15 U.S.C. Section 1052(d)." *West Florida Seafood Inc. v. Jet Restaurants Inc.*, 31 F.3d 1122, 31 USPQ2d 1660, 1665 (Fed. Cir. 1994) (emphasis in original). We also note Mr. Southard's testimony, in which he stated that the LOS CABOS label originally used in July 1991 is still in use, although there has been a slight change in the ingredients information.

We disagree that the sale in July 1991 was a token sale. Although petitioner has not presented documentary evidence of additional sales, petitioner's president has explained that petitioner has a policy of purging its records after five years. He also testified that he listed

April 1992 on petitioner's trademark application because it was "a very heavy usage time for the Los Cabos brand." Dep. p. 57.⁵ This statement certainly implies that there were sales under the mark prior to April 1992 and subsequent to the first use in July 1991.

Moreover, although the July 1991 sales under the LOS CABOS mark were relatively small, particularly in light of petitioner's other sales at the time, which were in the tens of thousands per month, Mr. Southard explained that the LOS CABOS mark was a new mark which petitioner was considering as taking the place of its primary mark at the time, DELSEYS. In these circumstances, we think a first shipment of twenty cases was a bona fide use of the mark in the ordinary course of trade, and not made merely to reserve a right in the mark. See Section 45 of the Trademark Act, 15 U.S.C. §1127. We also note that petitioner had a die made for the printing of its labels, and obtained approval for its label from the USDA. These labels were not the temporary type of label, such as a handwritten or typed label or a sticker, that often is used in connection with a sale of goods made solely to reserve rights in a mark. Rather, petitioner had both ordered a die to prepare the

⁵ He further explained that as a result the documents evidencing the April date were easy to access.

labels, and gone through the process of obtaining government approval for their use.

Accordingly, we find that petitioner has shown that it made bona fide use of its mark in the ordinary course of trade prior to the filing date of respondent's underlying intent-to-use application, which is the earliest date on which respondent can rely.

Although petitioner has established its priority, to prevail on a Section 2(d) ground it must also demonstrate likelihood of confusion. It appears that petitioner did not believe this was necessary. As noted above, petitioner did not assert in its pleading an allegation that respondent's use of its mark for its services was likely to cause confusion with petitioner's mark.⁶ Further, during the cross-examination of Mr. Southard, respondent's attorney asked the witness if he were aware of any instances of confusion between the marks as used by the parties. Petitioner's attorney objected to this question based on relevance, "in that that is not an issue before the Board." Dep. p. 63. However, the question of likelihood of confusion is most certainly an issue in this proceeding.

⁶ It is possible for a plaintiff to plead likelihood of confusion as a hypothetical in a situation where the defendant's registration (or application) has been cited against the plaintiff's application. For example, without actually alleging that there is likelihood of confusion, the plaintiff can assert that, if likelihood of confusion should be found, the plaintiff has priority and should prevail. In the present case, however, petitioner did not so plead.

The fact that the Examining Attorney examining petitioner's application refused registration based on a likelihood of confusion with respondent's mark does not establish that confusion is likely. That is something the Board must decide, based on the evidence before us. The Board is not bound by decisions of Examining Attorneys. *Cineplex Odeon Corp. v. Fred Wehrenberg Circuit of Theatres Inc.*, 56 USPQ2d 1538 (TTAB 2000); *In re BankAmerica Corporation*, 231 USPQ 873 (TTAB 1986). If it were, there would be no point in the Board's having authority to decide appeals from refusals by Examining Attorneys.

Petitioner has not submitted any evidence going directly to the issue of likelihood of confusion, and the factors set forth by the predecessor to our principal reviewing court the Court in *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). Nor has petitioner presented any arguments on the issue of likelihood of confusion in its brief, and respondent therefore has not presented any arguments in response. As a result, we must determine this question without benefit of the parties' views.

We turn first to a comparison of the marks, which are shown below.



Petitioner's mark

Respondent's mark

We recognize that the marks are similar. The words in both, LOS CABOS, are identical. Although respondent's mark has a slight design element that is reminiscent of a sombrero, and petitioner's mark has a design consisting of palm trees and what appears to be a sun, it is the words that are the dominant element in each mark. They clearly are the most visually prominent portion of the marks, and the element likely to be noted and remembered by consumers, as that is how they will refer to or call for the product or services. There is nothing improper in stating that, for rational reasons, more or less weight has been given to a particular feature of a mark, provided the ultimate conclusion rests on a consideration of the marks in their entireties. In re National Data Corp., 753 F.2d 1056, 224 USPQ 749 (Fed. Cir. 1985).

Petitioner has submitted evidence that a "cabo" is a cape in the geographic sense, and respondent's registration

also translates LOS CABOS as "the cape." While the use of Spanish words for a Mexican food and a Mexican-style restaurant suggests the Mexican nature of the goods and services, the meaning of the words does not appear to be suggestive of particular product or service features.⁷ These factors of the similarity of the marks and the strength of petitioner's mark favor a finding of likelihood of confusion.

However, because petitioner does not have a registration for its LOS CABOS and design mark, its rights in the mark are based on its actual use of the mark on the goods. There is limited information about this use in the record, deriving from the testimony as to petitioner's first sale of the goods. The record shows that "shipping container labels" bearing petitioner's mark were placed on the shipping containers of each case of petitioner's LOS CABOS shredded beef, cheese and green chili premium burritos. The record also shows that twenty cases of these burritos were shipped to Michael Levin Enterprises, which company is a distributor who would "resell it to convenience

⁷ As noted above, petitioner has submitted a search report which was provided by respondent in response to a document production request. This report was prepared by a private search company, and therefore it is not evidence of the existence of the registrations or third-party uses shown therein. See *Weyerhaeuser Co. v. Katz*, 24 USPQ2d 1230 (TTAB 1992). In any event, the single third-party registration, for LOS CABOS for wine, is not sufficient for us to find that this term has a meaning in either the prepared food or restaurant industries.

stores, schools, fast food restaurants, things of that nature in the food service industry, restaurant industry." Southard dep. p. 53.

Thus, the only evidence of use of the mark LOS CABOS is on labels for shipping containers containing burritos sold in bulk. There is no evidence that the mark is used on labels or packaging for individual burritos, or that the convenience stores, schools or fast food restaurants resell the burritos bearing the mark LOS CABOS to the general public, or that members of the public are ever exposed to petitioner's mark. Therefore, for purposes of our analysis of likelihood of confusion, we must assume that the only overlapping customers for petitioner's burritos and respondent's restaurant services are people in the food industry.

Such purchasers are obviously discriminating and careful, since they are buying food in bulk. They are not likely to believe, simply on the basis that similar marks are used, that respondent's Mexican style-restaurant⁸ and petitioner's burritos sold in bulk are associated with or sponsored by or emanate from the same source. In this connection, there is no evidence in the record that

⁸ Although respondent did not submit any evidence, its interrogatory responses that petitioner made of record show that it is a Mexican-style restaurant which sells Mexican-style food, as well as T-shirts, caps and other promotional items.

companies which sell food in bulk to schools and restaurants also operate their own restaurants under a single mark.

The only other "evidence" we have with respect to the remaining duPont factors relates to actual confusion. Mr. Southard testified that "people have walked up to me and said, in other cities, do you own Los Cabos restaurants, and I would say no, I don't, and just leave it at that." Dep. p. 63. Mr. Southard did not provide any further information about the circumstances in which this inquiry was made, e.g., whether it was by a customer of his company's products, or simply someone to whom he merely mentioned his company while engaged in casual conversation. Certainly we cannot conclude from this testimony that there have been any instances of actual confusion by the customers or potential customers of both the goods and services.

Upon considering all of the duPont factors on which we have evidence, we conclude that, despite the similarity of the marks, petitioner has failed to meet its burden of proving that the discriminating purchasers who are the only common customers of petitioner's goods and respondent's services would assume that burritos sold in bulk to fast food restaurants, convenience stores and schools, on the one

hand, and restaurant services on the other, would emanate from the same source.⁹

Decision: The petition to cancel is denied.

⁹ We do not suggest by this finding that the Examining Attorney cannot conclude that there is a likelihood of confusion between the mark for which petitioner has applied in Application Serial No. 74551603 and respondent's registration. We are saying only that on the record presented here, petitioner has failed to establish that respondent's mark for its services is likely to cause confusion with petitioner's mark for burritos sold in bulk to convenience stores, schools and fast food restaurants. On a different record, a different result might obtain. In this connection, we note that in its application petitioner has identified its goods simply as "burritos, enchiladas, tacos, taquitos, soft tacos" without any restriction as to channels of trade.